

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Downtown Development Authority	County Antrim
Fiscal Year End 2-28-06	Opinion Date 5-12-06	Date Audit Report Submitted to State 7-13-06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).



Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	None	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Daniel S. Smith, CPA		Telephone Number 989-732-1441	
Street Address 114 S. Center Ave Suite 108		City Gaylord	State MI
City Gaylord		State MI	Zip 49735
Authorizing CPA Signature 	Printed Name Daniel S. Smith		License Number 1101020912

DOWNTOWN DEVELOPMENT AUTHORITY

MANCELONA, MICHIGAN

AUDITED FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2006

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

MIKE BIEHL – PRESIDENT

NEVA MARCONERI – VICE PRESIDENT

DAN ROBINSON – TREASURER

DAVID TUCKER – VILLAGE PRESIDENT

COLIN KARNER

LUCIAN KEIL

LARRY MEYER

BILL ROBERTSON

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May 12, 2006

INDEPENDENT AUDITOR'S REPORT

To the Downtown Development Authority
Mancelona, Michigan

I have audited the accompanying financial statements of the governmental activity and the major fund of the Mancelona Downtown Development Authority as of and for the year ended February 28, 2006, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Downtown Development Authority, a component unit of the Village of Mancelona, Michigan as of February 28, 2006, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, on pages 2 - 4, and the statement of revenues, expenditures, and changes in fund balance - budget and actual - page 17, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



Daniel S. Smith, CPA

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED FEBRUARY 28, 2006

This section of the annual financial report of the Mancelona Downtown Development Authority presents our discussion and analysis of the entity's financial performance during the fiscal year ended February 28, 2006. Please read it in conjunction with the financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. The change in nets assets, as calculated on the full accrual basis of accounting was an increase of \$46,880. The excess of revenues over expenditures as calculated on the modified accrual basis of accounting was \$3,704.

Assets increased \$9,506 from the prior year. Liabilities decreased by \$37,274 over the prior year.

Overall revenues were \$54,873, most of which are general in nature, with \$2000 in contributions. Total expenses, as calculated on the accrual basis of accounting, amounted to \$5,993.

The Authority's revenues consist primarily of property taxes, collected from the Village of Mancelona and Mancelona Township for properties within the DDA district, and interest earnings. The Authority's revenue has increased \$10,751 from the prior year.

The Authority was involved in community projects during the year which included purchasing flowers for the downtown area, continuing to pay for street lighting on State Street, and the purchase of a downtown lot.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: The management discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the entity.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status.

The remaining statements are fund financial statements, which focus on individual parts of the entity in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Authority as a whole using the accrual accounting method, as used by private companies. The Statement of Net Assets includes all of the Authority's assets and liabilities. The Statement of Activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Authority's assets and liabilities; this is one method to measure the Authority's financial health or position.

Over time, increases/decreases in an Authority's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the Authority, you may also have to consider additional factors such as tax base changes.

The activities of the Authority are reported as governmental activity. The Authority has no business-type activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Authority's funds, focusing on significant (major) funds, not the entity as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. They also may be created by the entity's board. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The entity has the following types of funds:

General Fund – All of the Authority's activities are included in this fund. The fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the government-wide statements and the fund statements are disclosed to explain the differences between them.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The Authority's total net assets increased during the year, impacted primarily by the increase in taxable value of the District. The total net assets deficit balance at the end of the year was (\$59,217).

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

The activities of the general fund have remained constant, consisting of contractual services and other operating costs and community projects. The revenues collected to

fund the activities increased due to an increase in taxable values within the DDA district. The excess of revenues over expenditures was \$3,704 in the fund financial statements.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets: The Authority purchased a parcel of land for \$5,802 during the year.

Long-Term Debt: The Authority has agreed to service two capital lease agreements in the name of the Village of Mancelona used to finance the purchase of street lights within the DDA district. The Authority paid \$37,374 to the Village during the year to satisfy the debt requirements.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

None.

CONTACTING ENTITY MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the entity's finances and to demonstrate the entity's accountability for the revenues it receives. If you have any questions concerning this report please contact Ms. Joan Shannahan.

A handwritten signature in black ink, appearing to read "Mike Biehl", is positioned above the printed name.

Mike Biehl, DDA President

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
FEBRUARY 28, 2006

ASSETS

Current Assets

Cash - Checking	\$ 10,008
Certificate of Deposit	29,287
Property Taxes Receivable	52,056

Total Current Assets	<u>91,351</u>
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Non-Current Assets

Land	5,802
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Total Assets	<u><u>97,153</u></u>
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LIABILITIES

Current Liabilities

Current Portion of Long-Term Debt	37,274
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Long-Term Liabilities

Capital Leases- Village of Mancelona	119,096
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Total Liabilities	<u>156,370</u>
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NET ASSETS

Investment In Capital Assets	5,802
Net Assets (Deficit), Unreserved	\$ (65,019)

Total Net Assets (Deficit)	<u><u>(59,217)</u></u>
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See accompanying notes to the financial statements

MANCERLONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED FEBRUARY 28, 2006

	P R O G R A M				NET REVENUE/ (EXPENSE) AND CHANGE IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	
GOVERNMENTAL ACTIVITY					
Preservation/Beautification of Downtown Mancelona Area	\$ (7,993)	\$ -	\$ 2,000	\$ -	\$ (5,993)
GENERAL REVENUES					
Property Taxes					52,056
Interest Income					817
Total General Revenues					52,873
Other Financing Activity					
Capital Lease Obligation					-
Change in Net Assets					46,880
Net Assets, Beginning of Year					(106,097)
Net Assets, End of Year					\$ (59,217)

See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
FEBRUARY 28, 2006**

ASSETS

Cash - Checking	\$ 10,008
Certificate of Deposit	29,287
Property Taxes Receivable	52,056
	<hr/>
Total Assets	91,351
	<hr/> <hr/>

LIABILITIES

Accounts Payable	-
	<hr/>
Total Liabilities	-
	<hr/> <hr/>

FUND EQUITY

Fund Equity	
Fund Balance - Unreserved	91,351
	<hr/>
Total Fund Equity	91,351
	<hr/> <hr/>
Total Liabilities and Fund Equity	\$ 91,351
	<hr/> <hr/>

See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FEBRUARY 28, 2006**

TOTAL FUND BALANCE - PER BALANCE SHEET	\$ 91,351
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**Amounts reported for governmental activities in the Statement
of Net Assets are different because:**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized (and depreciated if appropriate).	5,802
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Long-term liabilities, including the capital leases payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(156,370)
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TOTAL NET ASSETS - PER STATEMENT OF NET ASSETS	\$ (59,217)
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See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED FEBRUARY 28, 2006**

REVENUES

Property Taxes	\$ 52,056
Interest Income	817
Donations - Village and Chamber	2,000
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Total Revenues	54,873
	<hr/>

EXPENDITURES

Capital Outlay	5,802
Administrative Costs	2,400
Community Projects/Flowers	3,424
Audit	1,300
Postage & Supplies	374
Insurance	318
Property Taxes	169
Miscellaneous	8
	<hr/>
Total Expenditures	13,795
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Excess (Deficiency) of Revenues Over Expenditures	41,078
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OTHER FINANCING SOURCES (USES)

Lease Payments to Village - Street Lighting	(37,374)
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Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	3,704
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Fund Balance - Beginning of Year	87,647
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Fund Balance - End of Year	\$ 91,351
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See accompanying notes to the financial statements

**MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED FEBRUARY 28, 2006**

NET CHANGE IN FUND BALANCE - PER STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	\$ 3,704
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**Amounts reported for governmental activities in the Statement
of Activities are different because:**

Governmental funds do not report long-term debt; therefore, debt service payments are recorded as an expenditure. However, in the government-wide financial statements, long-term debt is recorded and debt service payments are applied against the outstanding balance.	37,374
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Governmental funds report capital outlays as expenditures. However, in the Government-wide statements, the cost is capitalized and recorded as a non-current asset.	5,802
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CHANGE IN NET ASSETS - PER STATEMENT OF ACTIVITIES	\$ 46,880
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See accompanying notes to the financial statements

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2006**

NOTE A: ENTITY

The Downtown Development Authority was organized in July, 1994, by the Village of Mancelona, under Public Act 197 of the State of Michigan. Its purpose is to analyze the impact of economic changes and growth in the downtown district. The district is defined by Village Ordinance 74.

The Village of Mancelona has been designated as the financial oversight agency of the Authority. The Authority is presented as a discrete component unit in the financial statements of the Village.

Upon dissolution of the Authority, all remaining assets and liabilities will revert to the Village of Mancelona.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the Mancelona Downtown Development Authority are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures, of the Authority's financial activities for the fiscal year ended February 28, 2006.

The accounting policies of the Authority conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On March 1, 2003, the Authority adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Village's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for the Authority as a whole. Individual funds are not displayed, but the statements distinguish governmental activities from business-type activities, generally financed in whole

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

or in part with fees charged to external customers. Due to the nature of the operations of the Authority, there are no business-type activities. It is a single-purpose government engaging in only governmental activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The Authority engages in one functional activity – the preservation and beautification of downtown Mancelona. Program revenues include: (1) charges for services which report fees and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program users. At this time the Authority has no program revenues. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for the Authority's governmental fund.

The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Authority reports the following major governmental funds:

General Fund – this fund reports operations that provide services to the downtown district which are financed primarily by property tax revenues.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability occurs, regardless of the timing of related cash flows.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

PROPERTY TAXES

Taxes are levied on parcels in the district each year and are recognized as revenue in that fiscal year. Taxes are assessed on a lien date of either July 1st or December 1st, depending if it is the Village tax or Township tax. The tax revenue is calculated by multiplying the number of mills times the increase in taxable value from the base year. The base year (1995) taxable value was \$3,349,178, the 2005 taxable value was \$5,496,557, creating an incremental taxable value of \$2,147,379.

CAPITAL ASSETS AND DEPRECIATION

The Authority currently owns a parcel of land. Land is not depreciated. Ownership of any assets purchased with the Authority's funds reverts to the Village of Mancelona.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND DISCOUNT/PREMIUMS

In the government-wide financial statements, outstanding debt is reported as a liability. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Authority's actual expenditures and budgeted expenditures have been shown on a line-item basis. The approved budget of the Authority was adopted on a fund basis.

Budgets for the Authority are prepared by the board and presented to the Village Council of Mancelona for approval before March 1 of each year. Amendments are also approved by the Village Council as needed.

During the year ended February 28, 2006, no over expenditures were noted. The budget as adopted ends on February 28 of each year. There are no carryover budget items. The budget is adopted on the modified accrual basis of accounting.

NOTE C: CASH AND CASH EQUIVALENTS

Cash consists of bank accounts with original maturities of 90 days or less.

All cash deposits are maintained in financial institutions in the Mancelona, Michigan area. The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Authority or by its agent in the Authority's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 – Uncollateralized.

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2006**

NOTE C: CASH AND CASH EQUIVALENTS (CONTINUED)

	<u>BANK BALANCE</u>	<u>1</u>	<u>CATEGORY 2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
Cash Deposits	<u>\$ 39,295</u>	<u>\$ 39,295</u>	<u>-</u>	<u>-</u>	<u>\$ 39,295</u>

NOTE D: DUE FROM OTHER GOVERNMENTS

Property tax revenues for the year ended February 28, 2006 are recognized and receivable as follows:

Village of Mancelona	\$ 31,744
Mancelona Township	<u>20,312</u>
Total	<u>\$ 52,056</u>

Management considers the receivable balance to be fully collectible.

NOTE E: LONG-TERM DEBT

CAPITAL LEASE

In January 2003, the Village of Mancelona entered into a capital lease agreement in order to finance a street lighting project within the downtown district. The street lights are owned by and the debt was incurred by the Village; therefore, those activities are recorded in the Village's financial statements. However, the Authority has agreed to service the capital lease obligation. Accordingly, the amount payable to the Village to satisfy the debt service requirements has been recorded as a long-term liability in the Authority's Statement of Net Assets. The debt is to be repaid in semi-annual installments of \$10,000 beginning July 1, 2003 through July 1, 2009.

In March 2004, the Village of Mancelona entered into a second capital lease agreement to finance a street lighting project on West State Street. The lights and debt are in the name of the Village. However, the DDA has agreed to service this obligation as well. The semiannual payments are \$8,637 through October, 2011.

Following is a schedule of the future payments on an annual basis:

Year ended February 28, 2007	\$37,274
2008	37,274
2009	37,274
2010	27,274
2011	<u>17,274</u>
Total	<u>\$ 156,370</u>

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2006**

NOTE F: INSURANCE

Liability insurance is paid for by the Village of Mancelona. Bond insurance is carried by the Authority for misappropriations.

MANCELONA DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND
YEAR ENDED FEBRUARY 28, 2006

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 45,355	\$ 45,355	\$ 52,056	\$ 6,701
Interest Income	-	-	817	817
Donations - Village and Chamber	-	-	2,000	2,000
Total Revenue	45,355	45,355	54,873	9,518
EXPENDITURES				
Capital Outlay	10,000	10,000	5,802	4,198
Community Projects/Flowers	3,000	3,000	3,424	(424)
Administrative Costs	2,400	2,400	2,400	-
Audit	1,300	1,300	1,300	-
Postage & Supplies	600	600	374	226
Insurance	325	325	318	7
Property Taxes	-	-	169	(169)
Bank Fees	600	600	8	592
Association Fees	100	100	-	100
Travel	500	500	-	500
Advertising	200	200	-	200
Telephone	100	100	-	100
Total	19,125	19,125	13,795	5,330
Excess (Deficiency) of Revenues Over Expenditures	26,230	26,230	41,078	14,848
OTHER FINANCING SOURCES (USES)				
Lease Payments to Village - Street Lighting	(37,400)	(37,400)	(37,374)	26
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(11,170)	(11,170)	3,704	14,874
Fund Balance - Beginning of Year	87,647	87,647	87,647	-
Fund Balance - End of Year	\$ 76,477	\$ 76,477	\$ 91,351	\$ 14,874

See accompanying notes to the financial statements